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THE CORPORATION TRUST COMPANY AND ASSOCIATED COMPANIES

*In the incorporation, qualification and statutory representation of corporations, The Corporation Trust Company, C T Corporation System and associated companies deal with and act for lawyers exclusively.*

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As transfer agent or registrar for a corporation's stock The Corporation Trust Company brings to that service more than the usual and accepted qualifications of a trust company. Its years of experience in assisting lawyers in corporation matters and in acting as statutory representative of business corporations (in every state and territory of the United States and every province of Canada) enables it to add to its services as transfer agent a know-how, or common-sense vision, which is often of extreme value to the officers and directors of the corporation. A good kind of transfer agent to have.

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# What Constitutes Doing Business

## Massachusetts Trusts \*

Decisions and other rulings with respect to the liability of a Massachusetts trust to qualification, the payment of initial taxes and annual taxes are not uniform and are comparatively few in number.

In Arizona, Kansas and Washington, a Massachusetts trust, *created locally*, was denied the right to sue in the state courts because of failure to secure a charter.<sup>1</sup> By implication, in these states, a Massachusetts trust created out of the state, would also be denied the right to sue as such, Kansas having, in fact, so held.

In Kansas and Michigan, a Massachusetts trust *created in another state*, was held to be an entity subject to the foreign corporation laws to the same general extent as a foreign corporation.<sup>2</sup>

In two states, Idaho and New York, it has been ruled that a Massachusetts trust does not come within the definition of a "corporation" as outlined in the Corporation Law.<sup>3</sup> In New York, however, while such a business trust is not obliged to "qualify" as a foreign corporation in New York, Sec. 181

of the Tax Law imposes the "license fee" upon a "corporation" which is defined as including "any business conducted by a trustee or trustees wherein interest or ownership is evidenced by certificate or other written instrument."

In the following states, the definition of a corporation subject to income taxes includes language designed to bring Massachusetts trusts within the definition of a taxable "corporation"—California, Idaho, Minnesota, New York, Oklahoma, Oregon, Utah and Wisconsin.<sup>4</sup>

In Oklahoma, common law trusts are, by statute, defined as corporations subject to the franchise (license) tax,<sup>5</sup> while in Michigan a common law trust, executed in Michigan, which issued certificates, was held required to file reports and pay franchise (privilege) taxes as a corporation, and failure to do so was regarded as depriving it of the right to sue upon its contracts under the penal provisions in the act imposing the annual franchise or license tax.<sup>6</sup>

\* Also called "common law trust," "voluntary association" and "business trust."

<sup>1</sup> *Reilly v. Clyne*, 234 Pac. 35; *Weber Engine Co. v. Alter*, 120 Kansas 557, 245 Pac. 143 (trustees also held liable as individuals for trust's debts); *State ex rel. Colvin v. Paine et al.*, 137 Wash. 566.

<sup>2</sup> *Harris v. United States Mexico Oil Co.*, 204 Pac. 754, dismissed per curiam for want of jurisdiction, 260 U. S. 694; *Hemphill v. Orloff*, 277 U. S. 537.

<sup>3</sup> *Spotswood v. Morris*, 12 Idaho 360, 85 Pac. 1094; *Burgoyne et al. v. James*, 282 N. Y. S. 18, affirmed, no opinion, 284 N. Y. S. 977 (held not a "foreign corporation" under Secs. 210 and 218, General Corporation law).

<sup>4</sup> California: Laws 1937, Ch. 765 (The Corporation Income Tax Act), Sec. 2(b); Idaho: Code, 1932, Sec. 61-2402 (2); Minnesota: Statutes, 1941, Sec. 290.01 (4); New York: Tax Law, Sec. 208 (1); Oklahoma: Statutes, 1941, Title 68, Sec. 874 (d); Oregon: Compiled Laws, Sec. 110-1502; Utah: Code, 1943, Sec. 80-13-1 (3); Wisconsin: Statutes, Ch. 71, Sec. 71.02.

<sup>5</sup> Statutes, 1941, Title 68, Sec. 635.

<sup>6</sup> *Nedean et al. v. United Petroleum Co.*, 251 Mich. 673, 232 N. W. 202.

## Domestic Corporations

### Illinois.

**Business corporation ruled qualified to become a member of an Illinois non-profit corporation.** The plaintiff, Electrical Contractors' Association of City of Chicago, an Illinois corporation not for profit, sued defendant, A. S. Schulman Electric Company, an Illinois corporation for profit, to recover dues from the latter as a member of plaintiff association. An individual, A. S. Schulman, defendant's president, had previously been a member of the association, and in 1926, defendant corporation wrote plaintiff requesting it to change upon its records the name of A. S. Schulman to A. S. Schulman Electric Company, which was done. Subsequently, either defendant's president, vice president or general manager attended 90% of the meetings of plaintiff. A question raised concerned the legality of defendant's membership. Defendant contended that it, as an Illinois corporation, could not legally become a member of plaintiff association, an Illinois corporation not for profit, as the statute under which plaintiff was organized did not specifically authorize a business corporation to become a member. The Appellate Court of Illinois, First District, Third Division, noted that the act did not expressly prohibit an association organized under its provisions from accepting or admitting a corporation as a member. Said the court: "It is only by reading a restrictive limitation into the Act prohibiting corporations from becoming members of a trade association that defendant's contention can be sustained. An analysis of the wording of the Act leads us to the conclusion that the legislature did not intend by the language employed in the Act to prohibit corporations from becoming members of an incorporated non-profit trade association." "We are of the opinion," concluded the court, "that the defendant corporation was qualified to become, did become, and was a member of plaintiff Association from February 25, 1926, up to the time that plaintiff instituted its suit herein." *Electrical Contractors' Association of City of Chicago v. A. S. Schulman Electric Co.*, 57 N. E. 2d 220. Cassels, Potter & Bentley (Edwin H. Cassels, William S. Warfield, III and George C. Bunge, of counsel), of Chicago, for appellant. Miller, Gorham, Westcott & Adams and Milton M. Adelman of Chicago, for appellee.

### New Jersey.

**Chancery Court ruling on recapitalization plan affirmed by Court of Errors and Appeals.** In *Wessel et al. v. Guantanamo Sugar Co.*, 35 A. 2d 215, (The Corporation Journal, March, 1944, page 125), the Court of Chancery construed a mandatory recapitalization plan, involving the elimination of arrearages of dividends on cumulative preferred stock of the complainants, and held the plan invalid as to them, as wiping out a vested right. Upon appeal, this judgment has been affirmed by the Court of Errors and Appeals of New Jersey. *Murphy et al. v. Guantanamo Sugar Co.*, (*Wessel et al. v. Guantanamo*

*Sugar Co.*), 39 A. 2d 431. Pitney, Hardin & Ward (Waldron M. Ward, of counsel), of Newark, for appellant. Carpenter, Gilmour & Dwyer of Jersey City, (Charles B. Collins and Archie S. Carp of New York City, of counsel), for respondents Murphy et al. Milton, McNulty & Augelli (Joseph Keane, of counsel), of Jersey City, for respondents Wessel et al.

## Foreign Corporations

### Illinois.

Foreign corporation conducting correspondence course by mail held engaged in interstate commerce and not required to be qualified. Plaintiff, a foreign corporation, had no property or legal representative in Illinois and did not have its name listed in any Illinois telephone book. It was engaged in furnishing a correspondence course by mail and sued defendant to recover tuition for such a course pursuant to a contract. Judgment was given for plaintiff by the Appellate Court of Illinois, First District, Third Division, which found plaintiff to be carrying on business in Illinois which was interstate commerce. "Our statute regulating foreign corporations transacting business in this State," said the court, "has no application to interstate commerce." *Air Conditioning Training Corporation v. Majer*,\* 58 N. E. 2d 294. Otto A. Kralik and Sumner C. Palmer of Chicago, for appellant. Albert H. Werner of Chicago, for appellee.

\* The full text of this opinion is printed in *The Corporation Tax Service*, Illinois, page 516.

### Ontario.

Highest Ontario court rules co-transfer agent in Ontario of a New York company could not be directed, by mandamus, to transfer corporation's certificate of stock in view of New York statutory provisions governing transfer. In *Re Hatch*, (1944) 3 D. L. R. 477, (The Corporation Journal, December, 1944, page 254), the Ontario High Court granted a motion of an executor for an order by way of mandamus to compel a transfer agent, in Ontario, of a New York corporation to transfer shares owned by an Ontario decedent, without the necessity of the tender by the executor of a United States federal tax waiver, where the certificate stated on its face that it was transferable either in the City of New York or in Toronto, Canada. Upon appeal, the Ontario Court of Appeal has ruled that the order granting the writ of mandamus be set aside. Three opinions were written, each Justice reaching the conclusion that an Ontario transfer agent of the stock of a New York company was not in a position to make a complete and effective transfer, since Sec. 10 of the Stock Corporation Law of New York contains the following provision, which indicates the New York legislature contemplated that valid transfers, as against the corporation, were limited to such transfers effected within the home state of the company: "Every stock corporation shall keep at

its office . . . a book to be known as the stock book, containing the names of all persons who are stockholders of the corporation . . . If any such corporation has in this State a transfer agent, such stock book may be deposited in the office of such agent . . . No transfer of stock shall be valid as against the corporation, its stockholders and creditors for any purpose except to render the transferee liable for the debts of the corporation to extent provided for in this chapter until it shall have been entered in such book as required by this section by an entry showing from and to whom transferred." This was regarded as a bar to the issuance of a mandamus writ by an Ontario court, directed to an Ontario transfer agent or to an Ontario registrar, the Chief Justice observing: "The transfer agent in Toronto cannot transfer the shares in question, in the sense of doing what is necessary to make fully effective the transfer that the applicant has endorsed on the share certificate. Neither can the Registrar at Toronto properly register the transfer. Something must first be done in the State of New York that this Court has not been asked to order to be done, and that I think this Court plainly has no jurisdiction to order to be done." *Re Hatch, Re Fanny Farmer Candy Shops, Inc.*, (1945) 1 D. L. R. 6. C. F. H. Carson, K. C., for appellants. J. W. Pickup, K. C., for respondent.

#### Washington.

Appointment by Superior Court, of appraiser under Sec. 61, Delaware Corporation Law, set aside as void. Plaintiff was the owner of 8,845 shares of stock of a Delaware company which had been merged with another Delaware company, defendant being the surviving corporation. Plaintiff sought to have the lower court, the Superior Court of King County, appoint a third appraiser under Sec. 61 of the Delaware Corporation Law, who, together with two others previously appointed by the parties to the action, should determine the value of plaintiff's shares. The court appointed such an appraiser and defendant company appealed. The judgment was reversed by the Supreme Court of Washington which observed: "Implicit in the contract of respondent shareholder with the corporation is the agreement of respondent that in the event of the consolidation or merger of the corporation in which he owned shares of stock with another corporation that the question of payment to the dissatisfied stockholder of the value of his shares of stock was one for determination under the laws of the state of Delaware in which the corporation was organized. That being so only the courts of the state of Delaware have the power to make the appointment of the third appraiser, which is shown in respondent's petition. Appellant has a right to have an appraiser appointed by the proper tribunal and we agree with counsel for appellant that appellant is certainly aggrieved if it is forced to have the matter of appraisers of respondent's shares of stock determined by appraiser whose appointment was void." "Where, as in the case at bar, the controversy necessitates interpretation of a statute of the state creating the corporation the general rule against inter-

ference with the internal affairs of a foreign corporation is strictly applied." "A stockholder, by becoming such, agrees that in respect to the valuation of stock owned by him he would be governed by the laws of the state creating the corporation." The trial court was directed to dismiss the action. *Meade v. Pacific Gamble Robinson Co.*, 153 P. 2d 686. Ryan, Askren & Mathewson of Seattle, for appellant. Evans McLaren & Lane of Seattle, for respondent.

## Taxation

### California.

Domestic family corporation, engaging in transactions for profit in the purchase and sale of securities, held "doing business" so as to be subject to the franchise tax. Defendant California corporation sought to establish its exemption from the payment of franchise taxes under the Bank and Corporation Franchise Tax Act on the ground that it was dormant during the three years in question and because it transacted no business of financial or pecuniary profit within the definition of "doing business" as stated in the Act. Defendant was a family corporation, its stockholders being confined to the members of one family. During the years under consideration, it effected numerous purchases of bonds and stocks and received dividends regularly, together with interest on loans previously made. The California District Court of Appeal, Third District, said: "We are convinced that the transactions of the corporation previously mentioned, including the purchase and sale of stocks and bonds during each of said years, constitute activity in the doing of business, as defined by the statute, which renders the defendant liable for franchise taxes." The fact that some of the stocks and bonds were sold at a loss was regarded as immaterial. The court ruled that defendant could not be considered a "holding company," since it did not come within the definition of a holding company, its activities being different from those of that type of company. *People v. Alexander Goldstein Company*,\* California District Court of Appeal, Third District, November 10, 1944. Norman A. Eisner, for appellant. Robert W. Kenny, Attorney General, John L. Nourse and James E. Sabine, Deputies Attorney General, for respondent. Commerce Clearing House Court Decisions Requisition No. 330798.

\* The full text of this opinion is printed in *The Corporation Tax Service*, California, page 832.

Sales of oil to foreign government, delivered f. o. b. California port to buyer's tanker for shipment to foreign country, ruled export sale and exempt from sales tax. Plaintiff was a foreign corporation authorized to do business in California, engaged in producing, refining and selling crude oil and crude oil products. It sought to recover, with interest, a sum paid under protest as a retail sales tax and as interest thereon in connection with a sale in 1937 of fuel oil to the New Zealand Division of the Royal Navy. The delivery was f. o. b. ship's rail of the buyer's tanker at a terminal at Long Beach, Cali-

fornia, at which time title passed. The oil was processed at plaintiff's refinery at Watson and piped to its storage tanks at Long Beach, from which it was loaded aboard the vessel. Payment was subsequently made to the plaintiff in London, England. In 1940 defendant assessed a retail sales tax against plaintiff, measured by the gross receipts from the transaction, which plaintiff paid under protest, with interest, and filed a claim for refund, which was denied. This action was then commenced. The lower court ruled that plaintiff was entitled to a refund of the amount paid, with interest, that court finding that it had always been the intent of the parties that the oil would be exported to New Zealand without interruption. The judgment was affirmed by the California Supreme Court, which concluded that the sale of the oil was a step in its exportation and that the tax was improperly levied under the decisions of the Supreme Court of the United States interpreting Article 1, Section 10, Clause 2, of the Federal Constitution forbidding a state to lay imposts or duties on imports or exports, except those which may be absolutely necessary for executing its inspection laws. *Richfield Oil Corporation v. State Board of Equalization*,\* California Supreme Court, December 30, 1944. Robert W. Kenny, Attorney General, for appellant. Robert E. Paradise, Norman S. Sterry and Gibson, Dunn & Crutcher of Los Angeles, for respondent. Commerce Clearing House Court Decisions Requisition No. 332493.

\* The full text of this opinion is printed in **The Corporation Tax Service**, California, page 6219.

#### Federal.

**Gain on sale of treasury stock, effected to raise working capital, held taxable.** Plaintiff, Delaware Corporation sought to recover from defendant Collector of Internal Revenue income taxes for 1937, 1938 and 1939, which it claimed were illegally assessed and collected. Prior to its dissolution in 1942, it was engaged in the business of purchasing, holding, selling and dealing in the capital stock and other securities of aviation companies. The plaintiff's certificate of incorporation required it to purchase its own stock from its stockholders upon demand at a purchase price based upon the current net worth of plaintiff's assets at the time of such demand according to a formula therein provided. From 1929 to 1939, it purchased such shares of its stock in this manner, which it held in its treasury but later resold in 1937, 1938 and 1939 for a higher aggregate amount, for the purpose of obtaining additional working capital. At the time of such sales, the plaintiff had available authorized but unissued stock which it could have sold. When the company sold its own stock so acquired, the excess of the proceeds over par went to surplus account, increasing the company's net worth. In the sale of other stocks, the profit or loss therefrom went into income account. The sale of the treasury stock had the same effect on the books of the company as if unissued stock had been sold. The taxes claimed to be illegally assessed represented the difference between purchase prices and the subsequent

sales prices upon the sale of its shares during the three years mentioned. Plaintiff contended that in buying its own stock as outlined and in later selling it solely for the purpose of raising much needed capital, it was not dealing in its own stock as it might in the shares of another corporation, and thus its transactions were not within the scope of an amendment of May 2, 1934, to Article 66 of Treasury Regulations 74 subjecting to tax any gain derived by a corporation from the sale of its own shares where it deals in its own shares as it might in the shares of another corporation. The United States District Court, Southern District of New York, regarded the transactions as controlled by the ruling of the Circuit Court of Appeals, Second Circuit, in *Commissioner of Internal Revenue v. Air Reduction Co.*, 130 F. 2d 145, and held that they fell within the regulations mentioned and that the profit resulting therefrom was properly included in taxable income and dismissed the complaint. *Aviation Capital, Inc. v. Pedrick, Collector of Internal Revenue*,\* 56 F. Supp. 964. Webster & Garside and Henry C. Smith of New York City, for plaintiff. James B. M. McNally, U. S. Atty., and Samuel Rudykoff, Asst. U. S. Atty., of New York City, for defendant.

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\* The full text of this opinion is printed in the **CCH Standard Federal Tax Service**—1944—¶ 9466.

### Kentucky.

Foreign corporation, merely permitting local company to manufacture under its patent, with royalties payable in another state where agreement was executed, held not doing business in Kentucky so as to be liable for income tax on income from Kentucky sources. The Commissioner of Revenue instituted suit to recover income taxes, penalties and interest from defendant Delaware corporation, which had its principal place of business in New York and maintained no office or officers in Kentucky. Defendant was the owner of certain letters patent and had entered into an agreement in New York with a Delaware company, engaged in manufacturing radio tubes in Kentucky and having its principal place of business there, to permit the manufacture of radio tubes under defendant's patent in consideration of certain royalties to be paid on the tubes manufactured. The claim of the Commissioner was based upon the royalties received by defendant over a period of seven years. The Kentucky Court of Appeals ruled that defendant was not liable for the income tax sought. It stressed that a patent right has no situs apart from the domicile of the owner, which, in this instance, was New York, observing: "The source of the royalties was not in Kentucky where the tubes happen to be manufactured, but was in New York where the contract was signed and the royalties were payable." "By no stretch of the imagination can it be said that RCA was doing business in Kentucky by receiving royalties in New York under a contract entered into in that state with a corporation domiciled in Kentucky." Nor, concluded the court, could it be said that defendant's income from the royalties arose "from sources within Kentucky" under KRS 141.040, imposing

Oh yes, inde  
They could do  
in those days

Time was, true enough, when lawyers could get a corporation qualified in most states simply by filing the application and certified copy of charter and sending a check for entrance fees; when they could keep a company in good standing simply by filing the annual report and paying the franchise tax.

## **but nowadays!**

—a network of different requirements: Publication—of intention to file in some states, or of the charter in others, or of a "synopsis" of the charter in still others . . . filing extra certified copies in county offices in some states, special certificates in others . . . an anti-trust affidavit to be furnished here . . . date on which company commenced business in the state over there, in some the names and addresses of stockholders!

AND AFTER QUALIFICATION . . . look after occupation license tax in one state, income tax in another, use tax here and corporate excess tax there . . . sales taxes, intangible property taxes, "business" taxes . . . annual capital stock return, annual "foreign bonus report," report of change in stated capital and surplus, annual report of dividends paid to residents, registry statement, annual certificate of condition . . .

**Is it any wonder, then, that lawyers value so highly the Corporation Trust system which makes easy the handling of all those harassing clerical details of qualification and representation?**

the income tax as to foreign corporations "upon the entire net income of the corporation derived from business done, property located or sources in this state." *Commonwealth of Kentucky ex rel. Luckett v. Radio Corporation of America*,\* 184 S. W. 2d 250. Henry S. Chesnut of Louisville and Smith & Leary of Frankfort, for appellant. Doolan, Helm, Stites and Wood, Ernest Woodward and Woodward, Woodward, Dawson & Hobson of Louisville, for appellee.

\* The full text of this opinion is printed in **The Corporation Tax Service**, Kentucky, page 1507.

### Michigan.

**County court sets aside levy of additional initial fee based upon increase of authorized shares which were unissued.** Plaintiff Illinois corporation was admitted to do business in Michigan in 1934. At that time it paid the statutory initial fee based upon its authorized capital stock, consisting of 205,000 shares of A no par value stock, all issued, and 6,000,000 shares of common, of which all but 1,434,996 shares were issued. In 1943, the company adopted an amendment to its articles of incorporation increasing its authorized common stock to 10,000,000 shares. Defendant Commissioner, upon the filing of a certificate setting forth the amendment, demanded an additional initial fee of \$4,458.10 under Section 10.138, Compiled Laws of 1929. This section requires the payment of a proportionate fee by a licensed foreign corporation upon each increase in its authorized capital stock, computed upon that portion of its authorized capital stock represented by the portion of its property, tangible and intangible, used or to be used in its business in Michigan. Plaintiff instituted this suit to enjoin an alleged threatened revocation of its license to do business in the state for failure to pay the amount demanded and sought a declaration of its rights. The Circuit Court for Ingham County, in Chancery, after an examination of certain decisions of the Supreme Court of the United States—principally, *International Paper Co. v. Massachusetts*, 246 U. S. 135, *Air-Way Electric Appliance Corp. v. Day*, 266 U. S. 71, and *Roberts & Schaefer Co. v. Emmerson*, 271 U. S. 50—concluded that it is not within the power of a state to impose on a foreign corporation an annual franchise license, or privilege tax based wholly or in part on authorized capital stock that has not been issued and entered a decree accordingly. *Montgomery Ward & Co. v. Warner*,\* Circuit Court for Ingham County, in Chancery, December 14, 1944. Shields, Ballard, Jennings & Tabor of Lansing, for plaintiff. Herbert J. Rushton, Attorney General, by Gregory H. Frederick, Assistant Attorney General, of Detroit, for defendant. Commerce Clearing House Court Decisions Requisition No. 332476. (We are informed that an appeal is being taken in this case to the Michigan Supreme Court pending which the fees payable upon increases in authorized capital stock will be computed, as heretofore, on the entire authorized increase and not on the issued stock only.)

\* The full text of this opinion is printed in **The Corporation Tax Service**, Michigan, page 310.

## Appealed to the Supreme Court

The following cases previously digested in The Corporation Journal have been appealed to The Supreme Court of the United States.\*

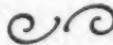
INDIANA. Docket No. 40. *Hewit v. Freeman*, 51 N. E. 2d 6. (The Corporation Journal, November, 1944, page 233.) Indiana Gross Income Tax Act—application to proceeds from sales of corporate stocks and bonds by resident owner to nonresidents through brokers. **Appeal filed, March 13, 1944. Jurisdiction noted, April 3, 1944. Argued, November 8, 1944.**

OHIO. Docket No. 38. *The Hooven & Allison Company v. Evatt*, 51 N. E. 2d 723. (The Corporation Journal, February, 1944, page 111.) Ohio general property tax levied against goods grown in foreign country and transshipped by seller's agent from port of entry to buyer in Ohio. **Petition for certiorari filed, March 11, 1944. Certiorari granted, April 10, 1944. Argued, November 7 and 8, 1944.**

PENNSYLVANIA. Docket No. 873. *Commonwealth of Pennsylvania v. Quaker Oats Company*, 38 A. 2d 325. (The Corporation Journal, November, 1944, page 235.) Franchise tax—gross receipts allocation—sales offices in state—approval out of state. **Petition for certiorari filed January 26, 1945.**

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\* Data compiled from CCH U. S. Supreme Court Service, 1944-1945.



## Regulations and Rulings

**ALABAMA**—An officer, agent, servant or employee (as distinguished from an independent contractor) of the United States government, State of Alabama, incorporated town, city or county in Alabama, engaged in constructing or superintending the construction of a building, highway, sewer or other improvement for his employer is exempt from the licensing requirements of Title 46, Chapter 4, Code of 1940. (Opinion, Attorney General to State Licensing Board for General Contractors, Alabama CT (Corporation Tax) Service, ¶ 30-448.)

**KENTUCKY**—In the consolidation of a Kentucky corporation with a Michigan corporation, where the capital stock of the former was \$800,000 and the latter \$500,000, but the capital stock of the consolidated corporation is \$2,400,000, an organization tax should be collected on the difference between the total amount of the new consolidated capital stock and the amount of stock upon which the Kentucky corporation had heretofore paid an organization tax, assuming that the Michigan corporation had never paid that tax. (Opinion of Attorney General to the Secretary of State, Kentucky CT, ¶ .004.)

**LOUISIANA**—Contributions by employers to employees' pension trust, stock bonus or profit-sharing plans are deductible by the employer if the plan conforms to the requirements of Article 121; amounts received by employees are taxable insofar as they exceed amounts paid in by them. (Letters, Income Tax Division, Department of Revenue, Louisiana CT, ¶ 15-012.)

The fact that a chain store corporation acquires all of the capital stock of an associated company subject to the chain store tax does not eliminate the latter's chain store tax liability. (Ruling of Department of Revenue, Louisiana CT, ¶ 44-900.)

**MONTANA**—A non-resident of Montana is liable for the payment to the state of an income tax on his Montana income. (Opinion of the Attorney General to Income Tax Department, Montana CT, ¶ 18-001.)

**NEW YORK CITY**—Where persons subject to the New York City Occupancy Tax move from one place to another during the period of one year preceding the due date of the tax, the tax is based on the aggregate rental value of the premises occupied. The same principle applies where the rental consideration is increased or decreased during the privilege period. (Letter of City Collector, New York CT, ¶ 220-249.)

**NORTH CAROLINA**—An out of state vendor selling merchandise in North Carolina through salesmen would be required to collect and remit the use tax on any sales made. (Opinion, Attorney General, North Carolina CT, ¶ 60-150.)

**OREGON**—Corporations are not permitted to remain of record in a dormant state, without the payment of the annual license fee required by statute. If a foreign corporation transacts some substantial part of its ordinary business in the state, it is liable for the payment of the annual license fee. (Opinion of Attorney General to Corporation Commissioner, Oregon CT, ¶ 4-001.)

## Some Important Matters for March and April

This Calendar does not purport to be a *complete* calendar of all matters requiring attention by corporations in any given state. It is a condensed calendar of the more important requirements covered by the *State Report and Tax Bulletins* of The Corporation Trust Company. Attorneys interested in being furnished with timely and complete information regarding *all* state requirements in any one or more states, including information regarding forms, practices and rulings, may obtain details from any office of The Corporation Trust Company or C T Corporation System.

**ALABAMA**—Annual Franchise Tax Return due between January 1 and March 15.—Domestic and Foreign Corporations.

Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Annual Franchise Tax due April 1, but may be paid without penalty until April 30.—Domestic and Foreign Corporations.

**ARIZONA**—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Annual Statement of Mining Companies due between January 1 and April 1.—Domestic and Foreign Corporations engaged in mining of any kind.

**CALIFORNIA**—Franchise (Income) Tax Return and Payment of one-half of tax due on or before March 15.—Domestic and Foreign Corporations.

Quarterly Retail Sales Tax Return and Payment due on or before April 15.—Domestic and Foreign Corporations.

**COLORADO**—Annual Report due on or before March 15.—Domestic and Foreign Corporations.

Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

Annual License Tax due on or before May 1.—Domestic and Foreign Corporations.

**CONNECTICUT**—Income Tax Return due on or before April 1.—Domestic and Foreign Corporations.

**DELAWARE**—Returns of Information at the source due on or before April 30.—Domestic and Foreign Corporations making certain payments of dividends, interest or other income to citizens or residents of Delaware during 1944.

Annual Franchise Tax due after April 1 and before July 1.—Domestic Corporations.

**DISTRICT OF COLUMBIA**—Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

**GEORGIA**—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Intangible Property Tax Return due on or before March 15.—Domestic and Foreign Corporations.

**IDAHO**—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

INDIANA—Quarterly Gross Income Tax Return and Payment due on or before April 30.—Domestic and Foreign Corporations.

IOWA—Income Tax Return and Returns of Information at the source due on or before March 31.—Domestic and Foreign Corporations.

Return of Taxes withheld at the source due on or before March 31.—Domestic and Foreign Corporations.

Quarterly Retail Sales Tax Return and Payment due on or before April 20.—Domestic and Foreign Corporations.

KANSAS—Annual Report and Franchise Tax due on or before March 31.—Domestic and Foreign Corporations.

Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

KENTUCKY—Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Income Tax and Corporation License Tax Return due on or before April 15.—Domestic and Foreign Corporations.

MARYLAND—Annual Report (Personal Property Return) due on or before April 15.—Domestic Corporations.

Franchise Tax Report and Franchise Tax due on or before April 15.—Domestic Corporations.

Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

Annual Report (Personal Property Return) and Filing Fee due on or before April 15.—Foreign Corporations.

MASSACHUSETTS—Excise Tax Return due on or before April 10.—Domestic and Foreign Corporations.

MICHIGAN—Intangible Personal Property Tax Return due on or before April 1.—Domestic and Foreign Corporations.

MINNESOTA—Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Annual Report due between January 1 and April 1.—Foreign Corporations.

Returns of Withholding at the source due on or before April 15.—Domestic and Foreign Corporations.

MISSISSIPPI—Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

MISSOURI—Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

MONTANA—Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Annual Statement due within two months from April 1.—Foreign Corporations.

NEBRASKA—Statement to Tax Commissioner due on or before April 15.—Foreign Corporations.

NEVADA—Annual Statement of Business due not later than month of March.—Foreign Corporations.

NEW HAMPSHIRE—Annual Return due on or before April 1.—Domestic and Foreign Corporations.

Franchise Tax due on or before April 1.—Domestic Corporations.

NEW MEXICO—Franchise Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Returns of Information at the source due on or before April 1.—Domestic and Foreign Corporations.

Income Tax Returns due on or before April 15.—Domestic and Foreign Corporations.

Franchise Tax due on or before May 1.—Domestic and Foreign Corporations.

NEW YORK—Annual Franchise (Income) Tax Return (Form 3 CT.—Article 9A, Tax Law), due on or before May 15, together with one-half of tax.—Domestic and Foreign Business Corporations.

NORTH CAROLINA—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Intangible Property Tax Return due on or before March 15.—Domestic and Foreign Corporations.

NORTH DAKOTA—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Quarterly Retail Sales Tax Return and Payment due on or before April 20.—Domestic and Foreign Corporations.

Annual Report due between January 1 and April 1.—Foreign Corporations.

OHIO—Annual Franchise Tax Report due between January 1 and March 31.—Domestic and Foreign Corporations.

Annual Statement of Proportion of Capital Stock due between January 1 and March 31.—Foreign Corporations.

OKLAHOMA—Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

OREGON—Excise (Income) Tax Return due on or before April 1.—Domestic and Foreign Corporations.

PENNSYLVANIA—Capital Stock Tax Report and Tax and Corporate Loans Report and Tax due on or before March 15.—Domestic Corporations.

Franchise Tax Report and Tax and Corporate Loans Tax Report and Tax due on or before March 15.—Foreign Corporations.

Bonus Tax Report due on or before March 15.—Domestic Corporations.

Bonus Tax Report due on or before March 15.—Foreign Corporations.

Income Tax Return due on or before April 15.—Domestic and Foreign Corporations.

**RHODE ISLAND**—Corporation Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Semi-Annual Report to Division of Industrial Inspection due in April and October.—Domestic and Foreign Corporations employing five or more persons in Rhode Island.

**SOUTH CAROLINA**—Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

**SOUTH DAKOTA**—Quarterly Retail Sales Tax Return and Payment due on or before April 15.—Domestic and Foreign Corporations.

**TEXAS**—Annual Franchise Tax Report due between January 1 and March 15.—Domestic and Foreign Corporations.

Annual Franchise Tax due on or before May 1.—Domestic and Foreign Corporations.

**UNITED STATES**—Income and Excess-Profits Tax Return due on or before March 15.—Domestic Corporations and Foreign Corporations having an office or place of business in the United States.

**UTAH**—Income (Franchise) Tax Return due on or before March 15.—Domestic and Foreign Corporations.

**VERMONT**—Income (Franchise) Tax Return due on or before March 15.—Domestic and Foreign Corporations.

Extension of Certificate of Authority due on or before April 1.—Foreign Corporations.

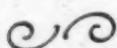
**VIRGINIA**—Income Tax Return and Returns of Information at the source due on or before April 15.—Domestic and Foreign Corporations.

**WEST VIRGINIA**—Annual License Tax Report due in April.—Foreign Corporations.

Quarterly Business and Occupation (Gross Sales) Tax Return and Payment due on or before April 30.—Domestic and Foreign Corporations.

**WISCONSIN**—Income Tax Return and Returns of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Annual Report due between January 1 and April 1.—Domestic and Foreign Corporations.



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*In connection with its various activities The Corporation Trust Company publishes the following supplemental pamphlets, any of which will be sent without charge to readers of The Journal. Address The Corporation Trust Company, 120 Broadway, New York, S. N. Y.*

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**Amendments to Delaware Corporation Law, 1943.** Contains complete text of the amendments adopted at the 1943 session of the legislature, giving for each one a brief explanation of its purpose and effect.

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**Judgment by Default.** Gives the gist of *Rarden v. Baker* and similar cases, showing how corporations qualified as foreign in any state and utilizing their business employees as statutory representatives are sometimes left defenseless in personal damage and other suits.

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The Corporation Journal is published by The Corporation Trust Company monthly, except in July, August, and September. Its purpose is to provide, in systematic and convenient form, brief digests of significant current decisions of the courts, and the more important regulations, rulings or opinions of official bodies, which have a bearing on the organization, maintenance, conduct, regulation, or taxation of business corporations. It will be mailed regularly, postpaid and without charge, to lawyers, accountants, corporation officials, and others interested in corporation matters, upon written request to any of the company's offices.

When it is desired to preserve The Journal in a permanent file, a special and very convenient form of binder will be furnished at cost (\$1.50).

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